



STERLING INFOTECH LIMITED

Our Company was originally incorporated as Sterling Horticultural and Research Limited on February 23, 1994, under the Companies Act, 1956. The name of our Company was changed to Sterling Horticulture and Research Limited and a fresh certificate of incorporation pursuant to the change in name was granted on August 12, 1994 by the Registrar of Companies, Tamil Nadu. The name of our Company was further changed to Sterling Infotech Limited and a fresh certificate of incorporation pursuant to the change in name was granted on August 19, 1998 by the Registrar of Companies, Tamil Nadu.

Registered Office: Sterling Tower, 327, Anna Salai, Teynampet, Chennai – 600 006

Telephone: 044 2431 3001; **Fax:** 044 2431 3035

E-mail: investor.ncd@sig.co.in; **Website:** www.sig.co.in

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INFORMATION MEMORANDUM ('IM') / DISCLOSURE DOCUMENT FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY STERLING INFOTECH LIMITED (THE 'COMPANY') OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ('NCDs') OF A FACE VALUE OF Rs. 1,000,000 WITH MARKETABLE LOT OF ONE DEBENTURE FOR CASH AGGREGATING TO Rs. 4,300,000,000 (THE 'ISSUE').

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The NCDs have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document.

CREDIT RATING

"LA-" (pronounced as "L A minus") by ICRA Limited for Rs. 4,300,000,000 non convertible debenture programme by our Company, indicating "adequate-credit quality" for timely servicing of debt obligations.

The rating is not a recommendation to buy, sell or hold the rated debt and investors should take their own decision. ICRA Limited does not assume any responsibility on its part for any liability that may arise consequent to the issuer not complying with any eligibility criteria from time to time for issuance of short term debt. The rating may be subject to suspension, revision or withdrawal at any time by the assigning rating agency. The rating agencies have a right to revise, suspend or withdraw the rating at any time on the basis of new information or unavailability of information or such circumstances which the Credit Rating Agency believes may have an impact on its rating. For further details including in respect of the rationale for the credit rating, please refer to respective Rating Rationale.

LISTING

The NCDs are proposed to be listed on the Whole Sale Debt Market Segment ("WDM Segment") of The Bombay Stock Exchange Limited (BSE). The BSE has pursuant to its letter dated June 2, 2009, given its in-principle approval to list the NCDs.

ISSUE PROGRAMME

ISSUE OPENING DATE

June 10, 2009

ISSUE CLOSING DATE

June 10, 2009

The Company reserves the right to change the Issue time table including the Deemed Date of Allotment (as defined hereinafter) at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription at the commencement of banking hours and close at the close of banking hours.

The Issue shall be subject to the terms and conditions of this Information Memorandum/Disclosure Document filed with the Stock Exchange and other documents in relation to the Issue.

SOLE BOOK RUNNER AND LEAD ARRANGER



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DEBENTURE TRUSTEE



IL&FS Trust Company Limited
The IL&FS Financial Centre, Plot C-22,
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REGISTRAR TO ISSUE



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Note: This Information Memorandum/ Disclosure Document is as per Schedule I under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 dated June 6, 2008, as amended from time to time. This Information Memorandum/Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Information Memorandum/ Disclosure Document shall constitute and/or be deemed to constitute an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Debentures in general. This Information Memorandum/ Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act. This Information Memorandum/ Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. Further, since the Issue is being made on a private placement basis, the provisions of Section 60 of the Companies Act shall not be applicable and accordingly, a copy of this Information Memorandum/ Disclosure Document has not been filed with the RoC or the SEBI. Therefore, as per the applicable provisions of law, copy of this Information Memorandum/ Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval.

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SUMMARY TERM SHEET

Nature of Debentures	Secured Redeemable Non-Convertible Debentures
Face Value	Rs. 1,000,000
Coupon Rate	14.35% per annum, payable semi-annually on 9 th December and 9 th June every year on the outstanding amount, in arrears, from the Deemed Date of Allotment up to the Redemption Dates
Issuer	Sterling Infotech Limited, having its registered office at Sterling Tower, 327, Anna Salai, Teynampet, Chennai 600 006
Sole Book Runner and Lead Arranger	Standard Chartered Bank
Issue Size	Rs. 4,300,000,000
Tenor / Redemption	Repayment of the outstanding principal amount on the NCDs and any accrued but unpaid interest thereon, in 3 (three) equal installments on 9 th December 2011, 9 th March 2012 and 9 th June 2012
Redemption	At par
Redemption Date	Means a) on 9 th December 2011, 9 th March 2012 and 9 th June 2012 or b) a Early Redemption Date
Early Redemption Date	Means the date when the NCDs would be subject to compulsory redemption pursuant to a Mandatory Prepayment Event or an event of default as described under the Debenture Trust Deed
Mandatory Prepayment Event	Means the occurrence of an event wherein the NCDs would be subject to early redemption and includes a) sale of certain investments in companies by Siva Ventures Limited; b) sale of TTSL Shares by our Company and c) disposal of any immovable property mortgaged for the Issue
Opening Date of the Issue*	June 10, 2009
Closing Date of the Issue*	June 10, 2009
Deemed Date of Allotment *	June 10, 2009
Date of Allotment	The date on which the NCDs would be Allotted pursuant to this Issue
Minimum application amount	Rs. 1,000,000
Minimum No of Debenture to be applied for	1 (one) Debenture and in multiples of 1 (one) Debenture thereafter
Issuance mode	Dematerialized
Trading	Dematerialized
Listing	On the WDM Segment of the BSE
Depository	NSDL
Tax Deduction at Source	As per the amended provisions of section 193 of the Income Tax Act, 1961, no tax is deductible at source from the amount of interest payable on any listed demat security
Trustees	IL&FS Trust Company Limited
Credit Rating	LA- by ICRA Limited

* Our Company reserves the sole and absolute right to modify (pre-pone/ postpone) the issue opening/ closing date(s) and also the Deemed Date of Allotment without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by our Company. Our Company also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum/Disclosure Document.

General Terms

Term	Description
“SIL” or the “Company” or the “Issuer” or “our Company”	Sterling Infotech Limited, company incorporated under the Companies Act, 1956 and having its registered office at Sterling Tower, 327, Anna Salai, Teynampet, Chennai – 600 006
“Sterling Infotech Group” or “SIG” or “Group” or “SIG Group”	means the group of companies, including our Company and its Subsidiaries, promoted by Mr. C Sivasankaran and having varied interests in diverse sectors such as telecom, shipping and logistic, media, renewable energy, infrastructure and township building, agriculture and food and wellness
“we”, “us”, “our”	Unless the context otherwise requires, our Company and its Subsidiaries

Company Related Terms

Term	Description
Articles of Association	The articles of association of our Company
Board of Directors/ Board	The board of directors of our Company or a duly constituted committee thereof
Debenture Trust Deed	means the trust deed dated June 9, 2009 entered into between the Debenture Trustee and our Company in relation to the Issue
Director(s)	Director(s) on the Board, as appointed from time to time
Group Financing	The proposed funding initiative of the Sterling Infotech Group consisting of the following: <ol style="list-style-type: none"> 1. Issue of NCDs of an aggregate value of Rs. 4,300,000,000, on a private placement basis by our Company; 2. Issue of non-convertible debentures of an aggregate value of up to Rs. 4,350,000,000, on a private placement basis by Siva Ventures Limited; 3. External commercial borrowing amounting to US\$ 20,000,000, to be availed by our Company; 4. External commercial borrowing amounting to US\$ 20,000,000, to be availed by Siva Ventures Limited; and 5. Offshore term loan facility of US\$ 20,000,000, to be availed by Daleworld Limited.
Intercreditor Agreement	means the agreement to be entered into between our Company, SVL, the hedging bank, the Debenture Trustee, the Onshore Security Agent and certain security agents and such other persons named therein for determining the inter-se rights of the creditors in relation to the various facilities availed and debentures issued, pursuant to the Group Financing
Outstanding Debt	Means the aggregate amount of indebtedness outstanding under <ol style="list-style-type: none"> (a) the Group Financing (excluding the indebtedness in relation to the facility to be availed by Daleworld Limited) and (b) the hedging facilities to be availed by Siva Ventures Limited and our Company in connection with their respective external commercial borrowings
Onshore Security Agent	means IL&FS Trust Company Limited, being the security agent appointed by the Debenture Trustee under the Intercreditor Agreement for holding certain onshore

Term	Description
	assets as security for the Debentureholders
Registered Office	The registered office of our Company presently situated at Sterling Tower, 327, Anna Salai, Teynampet, Chennai – 600 006
Siva Ventures Limited / SVL	Means Siva Ventures Limited, our wholly owned subsidiary, having its registered office at Sterling Tower, 327, Anna Salai, Teynampet, Chennai – 600 006
Subsidiaries	<p>(a) Our Indian subsidiaries are as follows:</p> <ol style="list-style-type: none"> 1. Siva Ventures Limited; 2. Broadcast Worldwide Limited; 3. Aiwo Limited; 4. ETH Limited; 5. VS Net Limited; 6. Sterling Projects and Engineering Limited; 7. Ratha Infrastructure Private Limited; 8. Sterling Bio Diesel Limited; 9. Vantage Realty Private Limited; and 10. Winwind Power Energy Private Limited. <p>(b) Our direct and indirect foreign subsidiaries are as follows:</p> <ol style="list-style-type: none"> 1. Lotus Ventures Investments Limited; 2. Greenfuel Investments and Holdings Limited; 3. SVL Ethanol Energy INC; 4. Daleworld Limited; 5. Winwind OY, Finland; 6. Win-Tuuli Oy; 7. Harbin Hafei Winwind Power Equipment Limited; 8. Winwind Iberica Servicios e Engenharia Eolica, Lda; 9. Ou Winwind Eesti; 10. Avis Ventures Limited Mauritius; 11. Energy Projects (Mauritius) Limited; 12. E 85 Inc; 13. Mills County LLC; 14. Wahoo Ethanol LLC; 15. Redoak Ethanol LLC; 16. Avis Ventures Norway AS; 17. JBUI AS; 18. J B Ugland OBO AS; 19. JBUS AS; 20. J B Ugland OBO I AS; 21. J B Ugland Shipping Singapore Pte Limited; 22. J B Ugland Dry Bulk AS; 23. JBU Ice Pte Limited; 24. JBU Loggers Pte Limited;. 25. JBU Offshore AS; and 26. India Telecom Holding Ltd (Mauritius).

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
Application Form	The form in which an investor can apply for subscription to the NCDs
Beneficial Owner(s)	Holder(s) of the NCDs in dematerialized form as defined under section 2 of the Depositories Act, 1996
Credit Rating Agency	ICRA Limited
Debentures/NCDs	secured, redeemable, non-convertible debentures of the face value of Rs.

Term	Description
	1,000,000 each aggregating to Rs. 4,300,000,000
Debentureholder(s) / NCD Holders	Persons who are for the time being holders of the NCDs and whose names are last mentioned in the Debenture Register and shall include the Beneficial Owners
Debenture Trustee	Trustee for the Debenture holders, in this case being IL&FS Trust Company Limited
Debenture Regulations	Trustee Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL
Information Memorandum/ Disclosure Document	This Information Memorandum/ Disclosure Document through which this Issue is being made
Issue	Issue by way of private placement of the NCDs by the Issuer
Pay-in Date	The date on which the Debentureholder(s) shall make payment for subscription to the NCDs
Record Date	The date prior to the Redemption Dates on which the determination of the persons entitled to receive interest in respect of the NCDs (i.e., persons whose names are registered in the Register of Debentureholders or in the record of our Depository) shall be made
Registered Debentureholder	The Debentureholder whose name appears in the Register of Debentureholders or in the beneficial ownership record furnished by the Depository for this purpose
Register of Debentureholders	The register maintained by our Company containing the name of Debentureholders entitled to receive interest in respect of the NCDs on the Record Date, which shall be maintained at the Registered Office
Registrar/Registrar to the Issue	Registrar to this Issue, in this case being Cameo Corporate Services Limited
Sole Book Runner and Lead Arranger	The arranger appointed for the purposes of this issue is Standard Chartered Bank (SCB)
Working Days	All days except Saturday, Sunday and any public holiday

Conventional and General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full form
AIS	The Approved International Shipping Incentive
Bn	Billion
BSE / Stock Exchange	Bombay Stock Exchange Limited
Companies Act	The Companies Act, 1956, as amended from time to time
Dwt	Dead Weight Tonnage
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/ DP	A depository participant as defined under the Depositories Act
EPC	Engineering, Procurement and Construction
Equity Shares	Equity shares of the Company of face value of Rs. 10 each
Fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated
ICRA Limited / ICRA	ICRA Limited, a public company incorporated under the provisions of the Companies Act, 1956, having its registered office at Electric Mansion, 3 rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400 025
ISIN	International Securities Identification Number
IT Act	The Income Tax Act, 1961, as amended from time to time

Abbreviation	Full form
LOA	Letter of Allotment
Mn	Million
NSDL	National Securities Depository Limited
p.a.	Per annum
RBI	The Reserve Bank of India
RoC / ROC	The Registrar of Companies, Tamil Nadu
ROTN	Rest of Tamil Nadu
Rs.	Rupees
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended from time to time
TTSL	Tata Teleservices Limited, a public limited company incorporated under the Companies Act and having its registered office at Jeevan Bharti Tower 1, 10 th floor, 124 Connaught Circus, New Delhi- 110001
TTSL Shares	Means 232,000,000 equity shares, being a part of the total shares held by our Company, in TTSL

GENERAL INFORMATION**REGISTERED OFFICE**

Sterling Tower,
327, Anna Salai,
Teynampet,
Chennai – 600 006
Telephone No – 044 2431 3001
Fax No – 044 2431 3035
Website – www.sig.co.in

BOARD OF DIRECTORS

Name of the Director, Designation	Age (Year s)	Residential Address	Other Directorships
Mr. T.L Guru Vijendran Whole Time Director	42	No.6, Thiruveedhiamman Koil Street, R.K Nagar, Chennai- 600 028	Aiwo Limited; Sterling Bio Diesel Limited; Vantage Realty Private Limited; Broadcast Worldwide Limited; Aamby Valley Limited; Best and Crompton Engineering and Projects Limited; and Best and Crompton Engg. Limited.
Mr K.V.P Baskaran Non Executive Director	47	37D, Unnamalaiammal Street, T.Nagar, Chennai – 600017	Siva Ventures Limited
Mr V. Srinivasan Non Executive Director	51	Flat G B, K.G Central Court, 17, Jagadambal Street, T.nagar, Chennai – 600017	Siva Ventures Limited; Sterling Projects and Engineering Limited; VS Net Limited; Abhi Ambi Financial Services Limited; ETH Airtv Limited; and Aamby Valley Limited.
Mr. Vijay P. Bhatkar Non Executive Director	62	29, Vrindavan Co-operative Society, Pashan Road, Pune – 411008	ETH Limited; and Maharashtra Knowledge Corporation Limited.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. S. S. Manivannan
327, Anna Salai,
Teynampet
Chennai 600 006
Ph: 044 2431 3001
Fax: 044 2431 3035
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Investors can contact the compliance officer in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of allotment, credit of NCDs, interest on application money, if any, etc. in the respective beneficiary account or refund orders, etc.

SOLE BOOK RUNNER AND LEAD ARRANGER

Standard Chartered Bank

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Fax: +91 22 2265 1304
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Contact Person: Mr. Rajesh Bhura

DEBENTURE TRUSTEE

IL&FS Trust Company Limited

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Website: www.ilfsindia.com
Contact Person: Ms. Sukanya Khan

REGISTRAR TO THE ISSUE

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Contact Person: Mr. P Ramanathan
Website: www.cameoindia.com

FINANCING REQUIREMENTS

Introduction:

This Issue is part of the proposed Group Financing initiative of the Sterling Infotech Group, wherein our Company along with Siva Ventures Limited would be raising debt by way of issuances of non convertible debentures and availing of external commercial borrowings. As a part of the Group Financing initiative, Daleworld Limited (an overseas subsidiary of Siva Ventures Limited situated in Cyprus) would also avail of an offshore term loan facility. The funds proposed to be raised as a part of this Group Financing shall be used, *inter alia*, to refinance certain existing credit facilities and to finance the overseas expansion and development programme of the Sterling Infotech Group as well as for general corporate purposes.

Description of Security for the Issue:

The security to be provided in relation to the issuance of the NCDs would constitute the following:

1. A first ranking *pari passu* pledge over the TTSL Shares;
2. A second ranking mortgage over 36.59 acres of land in Chennai belonging to Company, which shall be created on the date of the Debenture Trust Deed, which shall convert into a first ranking *pari passu* mortgage upon the repayment of certain existing indebtedness of the Company and a first ranking *pari passu* mortgage over 6.43 acres of land in Chennai belonging to other members Sterling Infotech Group; and
3. A first ranking exclusive charge by way of hypothecation on an account of the Company in which surplus proceeds after the enforcement of share pledges in relation to shares of certain companies located outside India would be credited. (onshore security)

The security referred to in (2) above, shall be created in favour of the Debenture Trustee for the benefit of the Debentureholders pursuant the Debenture Trust Deed (with respect to the second ranking mortgage on the Chennai land mentioned above), and an indenture of mortgage. The security referred to in (1) and (3) above shall be created in favour of the Onshore Security Agent for the benefit of the Debentureholders pursuant to the Intercreditor Agreement, a pledge agreement and a deed of hypothecation.

Restrictions on Enforcement of Security:

The security created in favour of the Debenture Trustee for the NCDs by way (2) above shall rank *pari passu* with the Outstanding Debt. The enforcement of the security created over the asset referred to in (2) above is subject to the prior approval of a majority of the creditors to whom more than 50% of the aggregate principal amount of the Outstanding Debt is owed.

The security created in favour of the Onshore Security Agent for the NCDs by way of (1) above shall rank *pari passu* with the Outstanding Debt. The enforcement of the security created over the asset referred to in (1) above is subject to the prior approval of a majority of the creditors to whom more than 50% of the aggregate principal amount of the Outstanding Debt is owed.

The Intercreditor Agreement will describe the manner in which the *pari passu* security created or to be created will be enforced and any enforcement of the security pursuant to the Debenture Trust Deed, will be subject to the provisions of the Intercreditor Agreement.

Security Cover for the Issue:

Our Company shall in accordance with the provisions of the Debt Listing Agreement maintain a 100% security cover of the total Issue Size at all times during the tenor of the NCDs.

Corporate Guarantee by Siva Ventures Limited:

Siva Ventures Limited will also extend a corporate guarantee for guaranteeing the obligations of our Company in relation to the issuance of the NCDs.

HISTORY, CAPITAL STRUCTURE AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was originally incorporated as Sterling Horticultural and Research Limited on February 23, 1994 under the Companies Act, 1956. The name of our Company was changed to Sterling Horticulture and Research Limited and a fresh certificate of incorporation was granted on August 12, 1994 by the Registrar of Companies, Tamil Nadu. The name of our Company was further changed to Sterling Infotech Limited and a fresh certificate of incorporation pursuant to the change in name was granted on August 19, 1998 by the Registrar of Companies, Tamil Nadu.

Our Company is promoted by Mr. C Sivasankaran and is the ultimate holding company of the Sterling Infotech Group. Our Company along with its wholly owned subsidiary Siva Ventures Limited (SVL), currently holds all the onshore and offshore investments of SIG Group.

The SIG Group forayed into the business arena in 1988 through Sterling Computers Limited, whereby it assembled and marketed personal computers, at affordable prices. This was done at a time when penetration of personal computers was historically low, on account of the prohibitive costs, involved in acquiring one. Sterling Computers Limited eventually became at that time, one of the largest players in this sector primarily, based on the unmatched value proposition it offered, on its products.

In 1994, SIG Group, bagged cellular licenses from the Government of India and was among the first players to launch cellular services in northern India. Subsequently, it sold its northern India cellular phone business to Essar to concentrate on markets in southern India. SIG Group commenced cellular operations in southern India, under the brand name “Aircel” in the Tamilnadu (excluding Chennai) circle. Subsequently, it took over the Chennai license from RPG, in 2003 and went on to become a market leader. SIG Group further expanded its operations under the brand name “Aircel” in Northern and Eastern India in 2005 with launch of their cellular services in Orissa, Assam, North East, West Bengal and Jammu & Kashmir telecom circles.

In March 2006, SIG Group divested its entire cellular telephony business to Maxis of Malaysia for a valuation of US\$1.08Bn. Post the divestment of its stake in Aircel, SIG Group is currently pursuing investment opportunities in the renewable energy sector (wind energy), shipping and logistic, EPC activities and Infrastructure and Township developments, both in India and abroad, through its various group companies. SIG, through its foreign subsidiary, invested in Winwind Oy (manufacturers of highly reliable and technologically advanced megawatt and multi-megawatt wind turbine generators). Further, in order to expand its base outside Europe, Winwind Oy through its wholly owned Indian subsidiary Winwind Power Energy Private Limited, is in the advance stages of completion of a project (having a long term capital outlay of about Rs 3,750,000,000) in India.

SIG Group forayed into the shipping and logistics sector by acquiring the Norwegian shipping company J.B. Ugland Shipping AS (“JBU”) for a consideration of approximately US\$ 300,000,000. JBU, incorporated in 2003 and headquartered in Oslo - Norway, is a shipping tonnage provider with a fleet of 50 vessels (total capacity of Dwt 2.7 million) through ownership (10 owned vessels in partnership with other shipping companies or financial investors) and chartering arrangements (40 vessels taken in on long term charters - either 100% or in partnership with shipping companies / financial investors). While the Company is incorporated in Norway, bulk of the business is carried out through JBUS’s wholly owned subsidiary based in Singapore, viz J. B. Ugland Shipping Singapore Pte Limited (“JBUSS”) to avail of the benefits under the AIS norms prevalent in Singapore. The average age of the fleet under operation of JBU and JBUSS is 2.5 years.

SIG Group also provides various Telecom advisory services to Tata Teleservices Limited and Tata Tele (Maharashtra) Limited. The services consists of providing end to end solution for setting up a cellular site including site identification, vendor selection, vendor negotiation, equipment procurement, equipment installation, procurement of site approvals from regulatory authorities and finally making the cell site live. Presently, with the entry of new players in the telecom sector along with the rural network rollout and deeper penetrations by the existing players, new opportunities have opened up for the company. In order to exploit the said opportunities, the company is currently

migrating from advisory service provider to full EPC Contract Company.

SIG Group also has its presence in Infrastructure and township development by way of a equity stake in Aamby Valley Limited, owners of Aamby Valley City.

Additionally, SIG Group has obtained a 99 year lease for Coetivy Island in Seychelles situated around 290 kilometers south of Mahe, the main island of Seychelles for mega township development. The said island is spread over about 931 hectares of Land.

SIG also has strategic/financial investments in sectors like Media & Entertainment etc.

Key Milestones of the Sterling Infotech Group

Presented below are the milestone events in the history of Sterling Infotech Group which demonstrates the management strength and the ability to successfully build a business empire.

1999 – Launching of Dishnet (DSL services) and becoming the pioneer to introduce the broadband service in India. Besides, Aircel (mobile telephony services) commenced operations in the Rest of Tamil Nadu (RoTN) Circle.

2000 - Sterling software and education business was bestowed with ISO Certification 9000: 2000 from Det Norske Veritas Management System Certification (DNV), Netherlands.

2002 - Dishnet won “Infrastructure Excellence Award-Telecom” from Wisitex Foundation.

2003 – Sterling Infotech Group acquired RPG Cellular Service under Aircel brand. AIWO Limited commences its operations, with a new concept of “certified wellness” through its specialized restaurants and SPA.

2004 – Dishnet rolls out robust, cost - effective and secure IP VPN networking system over 42 cities. DSL Services business was sold as an 'on going' concern to VSNL. Acquisition of Barista (rated as one of the best brands in India) from the Tata Group. Aircel was rated No.1 in customer satisfaction according to voice & Data study 2004.

2005 – Acquisition by Aircel of licenses for 9 telecom circles across India with a subscriber base of 2.5 million and had around 1800 towers on air. The Group with its in-house expertise in vendor negotiation and project management started rolling out end-to-end services for telecom companies (Tata Teleservices)

2006 -

- Divested telecom business to Maxis, Malaysian telecom major at a valuation of approximately USD 1.08 Bn
- Invested approximately USD 27,000,000 in Sahara One Media & Entertainment for 14.98% stake.
- Invested controlling stake in Winwind Oy

2007 - SIG divested its entire stake in Barista Coffee Company Ltd. and Fresh & Honest Café Ltd for a total consideration of approximately US\$ 100,000,000 to Italian Company, Lavazza.

2008 - SIG acquired the Norwegian shipping company J.B. Ugland Shipping AS for approximately US\$ 300,000,000 in February 2008.

Material Agreement entered into by our Company:

Our Company has entered into the following material agreements

1. Share subscription agreement dated February 24, 2006 between our Company, Tata Sons Limited,

and Tata Teleservices Limited for investment in the equity shares of Tata Teleservices Limited;
and

2. Secondary share purchase agreement dated March 3, 2009 between our Company and NTT DoCoMo Inc for the sale of a part of Tata Teleservices shares held by Sterling Infotech Limited.

Share Capital Details of our Company

Our share capital as on March 31, 2009 is set forth below.

Particulars	Amount (Rs.)
A. Authorized	
788,333,400 equity shares of Re.1 each	788, 333,400
7,116,666 preference shares of Rs. 100 each	711,666,600
Total	1,500,000,000
B. Issued, Subscribed and Paid up	
762,000,000 equity shares of Re. 1each	762,000,000
7,116,666 (Nil) preference shares of Rs. 100 each	711,666,600
Total	1,473,666,600
C. Securities Premium Account	4,853,745,863

Paid-up Capital after the Issue and Securities Premium Account

The Issue will not have any impact on the paid up capital and share premium of our Company.

Past Issues of our Company

(a) Equity share capital history of our Company

Date of Allotment	Number of Equity shares	Face value per Equity Share (Rs.)	Issue price per Equity Share (Rs.)	Nature of Allotment	Cumulative share capital (Rs)
February 23, 1994	100	10	10	Initial allotment as per Memorandum of Association -	1,000
February 25, 1995	58,000	10	10	Further Issue	581,000
March 1, 1995	14,500	10	10	Further Issue	726,000
March 6, 1995	18,000	10	10	Further Issue	906,000
March 12, 1995	22,000	10	10	Further Issue	1,126,000
October 25, 1995	37,400	10	10	Further Issue	1,500,000
February 1, 1996	850,000	10	10	Further Issue	10,000,000
March 30, 1996	24,000,000	10	10	Further Issue	250,000,000
January 11, 1997	25,000,000	10	10	Further Issue	500,000,000
February 28, 1998	16,000,000	10	10	Further Issue	660,000,000

March 9, 1999	1,299,695	10	16	Further Issue	672,996,950
	7,700,305	10	300		750,000,000
March 30, 2002	500,000	10	10	Further Issue	755,000,000
June 27, 2003	700,000	10	700	Further Issue	762,000,000

(b) Preference Share Capital History of our Company

Date of Allotment	Number of Equity shares	Face value per Equity Share (Rs)	Issue price per Equity Share (Rs)	Nature of Allotment	Cumulative share capital and Share Premium Account (Rs)
March 31, 2006	2,250,000	100	600	Fresh Issue	1,350,000,000
March 31, 2006	2,366,666	100	600	Fresh Issue	2,769,999,600
March 31, 2006	2,500,000	100	600	Fresh Issue	4,269,999,600
TOTAL	7,116,666				

(b) Outstanding debt securities issued by our Company

Our Company has not issued any debt securities as on the date of this Information Memorandum.

Present Financial Indebtedness

Our Company has availed of certain credit facilities from various lenders. The loans availed of have been deployed for financing general corporate purposes.

Set forth below is a brief summary of our Company's aggregate borrowings as of March 31, 2009:

Category of Borrowings (as per unaudited financials)	Outstanding Amount (Rs. In Mn)
Secured Loan	4,300
Unsecured Loan	950
Total	5,250

Top 10 shareholders of our Company

The top 10 shareholders of our Company as on the date of filing of this Information Memorandum/ Disclosure Document with the Stock Exchange are as follows:

S. No	Name of Shareholders	Address of shareholders	No. Equity Shares held
1.	Mrs. S. Jayalakshmi	Firhaven Estate, 153, Santhome High Road, Raja Annamalaipuram, Chennai - 600028	63,25,46,000
2.	Mr. S. Saravana	Firhaven Estate, 153, Santhome High Road, Raja Annamalaipuram, Chennai – 600028	4,38,00,100
3.	West Grove International Holdings Limited (Foreign Company)	C/o. IFS, IFS Court, 28, Cybercity, Ebene, Mauritius	3,59,28,200
4.	Hi-Tech Traders Private Limited	Sterling Tower, 327, Anna Salai, Teynampet, Chennai – 600 006	3,47,00,000

5.	India Televentures Limited (Foreign Company)	P. O. Box No. 1130, 12, Remi Oliver Street, Port Louis, Mauritius.	1,50,00,000
6.	Mrs. C. Suthindra Devi	Firhaven Estate, 153, Santhome High Road, Raja Annamalaipuram, Chennai – 600028	25,000
7.	Mr. R.Chinnakannan	Firhaven Estate, 153, Santhome High Road, Raja Annamalaipuram, Chennai – 600028	400
8.	Mrs. C. Chandrammal	Firhaven Estate, 153, Santhome High Road, Raja Annamalaipuram, Chennai – 600028	200
9.	Senthil Business Associates Private Limited	Sterling Tower,327, Anna Salai, Teynampet, Chennai – 600 006	100
	TOTAL		76,20,00,000

Top 10 holders of debt securities of our Company

Our Company has not issued any debt securities as on the date of this Information Memorandum.

Material Contracts and Agreements involving Financial Obligations

Our Company, in the ordinary course of its business, enters into various agreements, including loan agreements and joint venture agreements. However, there are no material contracts or agreements which involves financial obligations.

The following material documents may be inspected at the Registered Office from 11.00 am to 1.00 pm from the date of this Information Memorandum/ Disclosure Document, until the date of closure of this Issue.

1. Our Memorandum and Articles of Association as amended till date;
2. Shareholder's resolution dated February 18, 2006 under section 293(1)(d) of the Companies Act, 1956, authorising our Board to borrow, upon such terms and conditions as the Board may think fit, up to Rs. 15,000,000,000;
3. Letter dated May 6, 2009 from ICRA Limited assigning "LA-", for Rs. 4,300,000,000 NCD programme indicating "adequate credit quality" for timely servicing of debt obligations;
4. Annual Report of our Company for the year ended March 31, 2008;
5. Unaudited/provisional Financial Results of our Company for the Year Ended March 31, 2009;
6. Letter No. no. DCS/PREF/SP/IP-PPDI/283/09-10 dated June 2, 2009 from BSE granting its in principle approval for present issue of NCDs;
7. Bipartite/Tripartite Agreement between our Company, the Registrar and NSDL dated June 9, 2009;
8. Debenture Trust Deed dated June 9, 2009, for the present Issue;
9. Board Resolution dated May 27, 2009, approving the IM and the Issue;
10. Shareholders resolution under section 293 (1) (a) dated February 18, 2006, of the Companies

Act, 1956, authorizing our Board to sell, lease or otherwise dispose of the whole or substantially the whole of the assets of our Company; and

11. Auditor's certificate dated June 3, 2009 stating that the present Issue of NCDs would be within the overall borrowing limits of our Company.

Material Developments since the Last Balance Sheet Date, March 31, 2008

1. Our Company recently divested a part of its 8.52% stake in the issued equity share capital of TTSL to NTT DoCoMo. Post the sale of a part of our holdings we currently hold around 6% stake in the issued equity share capital of TTSL.
2. Our Company had borrowed Rs 6,500,000,000 from a syndication of banks for acquisition of shares in TTSL. The entire debt of Rs 6,500,000,000 was repaid on March, 2009 by our Company. For repaying the debt our Company has borrowed Rs 4,300,000,000 from banks and the balance was repaid out of the proceeds from aforesaid sale of TTSL shares.

Other Material Developments

Other than as disclosed in this Information Memorandum/ Disclosure Document, there are no other material events or developments or changes at the time of this Issue or subsequent to the Issue which may affect the Issue or the investors' decision to invest / continue to invest in the Issue.

OBJECTS OF THE ISSUE

Funds Requirement and Utilisation of Net Proceeds

Our Company intends to utilise the proceeds of the Issue for repayment of existing debts, and general corporate purposes (**‘Objects’**). The proceeds of this Issue, after deducting the expenses associated with this Issue (**“Net Proceeds”**), shall be utilised towards the Objects mentioned above and for no other purpose. Our Company may undertake such activities as may be necessary for the purposes of the Objects.

Our management, in response to the competitive and dynamic nature of the industry in which we operate, will have the discretion to revise its business plan from time to time. Our funding requirements and deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. In certain cases, the delays may be caused due to external factors such as non-receipt of requisite approvals, which consequently, may change our fund requirements.

In case of variations in the actual utilization of the Net Proceeds, increased fund requirements for any of the Objects may be financed by surplus funds, if any, allocated for the other Objects, subject to applicable law. In case of shortfall/ cost overruns if any, for the Objects, we intend to meet the same through a range of options including utilizing our internal accruals, seeking additional debt or equity from lenders or shareholders. Further, in the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Bridge Financing Facilities

Our Company has not raised any bridge loans against the Net Proceeds.

Basic Terms of Issue

Please refer to the section titled “Offering Information” beginning on page 26 of this Information Memorandum.

BUSINESS OVERVIEW

Business Overview

Our Company is the ultimate holding company of the Sterling Infotech Group. Our Company along with its wholly owned subsidiary Siva Ventures Limited holds all the onshore and offshore investments of the SIG Group.

Our Company's business activities inter-alia includes:

- Providing Project Management & Consultancy services in the Telecom sector;
- Leasing of Commercial Properties; and
- Strategic Investments in emerging businesses

Our Company currently holds around 6% stake in TTSL. TTSL is a leading telecom service provider in India, having telecom licenses in all the 22 telecom circles with a subscriber base of 35 million as on March 2009.

FINANCIAL HIGHLIGHTS

Statement of Profits and Losses (Unconsolidated)

Rupees in Million

Particulars	For the year ended March 31,			
	2009 (Provisional)	2008	2007	2006
Income				
Income from Telecom consultancy	985	978	763	19
Profit on sale of investments	1,620	718	-	-
Others	647	631	288	199
Total	3,252	2,326	1,051	218
Expenditure				
Consultancy charges	402	321	405	-
Employee cost	50	20	13	-
Other operating expenses	167	50	120	70
Interest	791	866	683	420
Depreciation	20	21	23	31
Total	1,429	1,278	1,243	522
Profit before taxes	1,823	1,048	(193)	(304)
Current tax	206	130	-	-
Deferred Tax	1	-	-	-
Fringe Benefit Tax	-	1	1	1
Tax relating to earlier years	1	2	-	-
Profit after taxes	1,615	915	(194)	(305)

Statement of Assets and Liabilities (Unconsolidated)

Rupees in Million

	Particulars	As at March 31,			
		2009 (Provisional)	2008	2007	2006
A	Fixed assets	404	419	440	455
B	Investments	10,535	11,045	10,935	10,751
C	Current Assets, Loans and Advances				
	Cash and Bank Balances	432	205	133	110
	Loans and Advances (including sundry debtors)	2,341	2,098	2,700	3,025
	Other current assets	282	192	229	212
		3,055	2,495	3,062	3,347
D	Liabilities and Provisions				
	Secured Loans	4,300	6,500	6,501	6,502
	Unsecured Loans	950	-	-	-
	Current Liabilities and Provisions	138	467	1,726	1,070
		5,388	6,967	8,227	7,572
E	Net worth				
F	Represented by				
	1. Share Capital	1,474	1,474	1,474	1,474
	2. Reserves	6,755	5,140	4,225	4,419
	3. Share Application money	378	378	511	1,089
	Net worth	8,606	6,991	6,210	6,981

A copy of the audited financials of the Company for year ended March 31, 2008 and Unaudited/provisional Financial Results of the Company for the Year Ended March 31, 2009 are provided as Annexure B and Annexure C respectively.

RISK FACTORS

Investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Issue. You must rely on your own examination of our Company and this Issue, including the risks and uncertainties involved. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Risks relating to the Issue

1. ***A default under any of the facilities availed as a part of the Group Financing may trigger an enforcement of security interests covering the NCDs.***

The security for the Issue also forms a part of the common pool of securities created for a part of the Group Financing. For details on the security being created for the present Issue, refer to the section titled “Financing Requirements-Description of security for the Issue” beginning on page 9 of this Information Memorandum.

In the event of a default under any of the respective credit facilities availed as a part of the Group Financing, the security created over some of the assets offered for those facilities may be enforced. Since there is a *pari passu* charge being created on some of the assets offered as a part of the security created for the NCDs, a default under any such credit facilities would also result in an invocation of the security interest covering the NCDs.

2. ***The NCDs may be mandatorily prepaid***

The NCDs are subject to Mandatory Prepayment. In the event, the investments made by Siva Ventures Limited in certain companies are sold or redeemed prior to the Redemption Dates or if any of the assets, which are subject to the security created for the NCDs, are released, an agreed portion of the proceeds thereof shall be used for a pro-rata prepayment of the Group Financing as set out in the Intercreditor Agreement. Although, our Company would be liable to pay early redemption costs, on the prepayment of the NCDs, we shall not be liable to pay any amount whether by way of interest or payment in lieu thereof for the period between the date of Early Repayment and the scheduled date of expiry of the Tenor.

3. ***Enforcement of security is subject to the approval of majority of the lenders for the Group Financing***

As per the provisions of the Intercreditor Agreement and the Debenture Trust Deed, the enforcement of a security created over certain assets is subject to the prior approval of a majority of the creditors to whom more than 50% of the aggregate principal amount of the Outstanding Debt is owed. For details on the assets subject to the enforcement restrictions, refer to the section titled “Financing Requirements- Restrictions on Enforcement of Security” beginning on page 9 of this Information Memorandum.

Accordingly, regardless of an event of default having occurred under the terms of the NCDs, in the event the other creditors of the requisite level of indebtedness do not approve of the enforcement, the security interest covering the NCDs would be incapable of being enforced.

4. ***Shares pledged as a security for the NCDs may be illiquid and security cover under the pledge may not be available immediately on issue or listing of the NCDs.***

Our Company holds 249,659,163 equity shares, constituting approximately 6 (six) % of the issued and paid up equity share capital in TTSL. Of this, 232,000,000, constituting nearly 5.5 % of the paid up capital in TTSL, forms part of the security pool for the present Issue. A part of these equity shares are currently pledged with one of our lenders and as per our arrangement with the lender, these shares would be released on repayment of all funds due to the lender.

Please see the section titled Financing Requirements- “Description of Security for the Issue” beginning on page 9 of this Information Memorandum for details of the security being created for the Issue. Accordingly, these equity shares would not form part of the security till such time as the debt due towards the lenders is discharged by us, and such transfer of security interest to cover the Group Financing including the present Issue would occur after the Issue and could take place even after the listing of the NCDs. Besides, the TTSL Shares are not listed and there may not be a ready and liquid market for the TTSL Shares.

5. ***Changes in interest rates may affect the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

6. ***Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.***

This Issue has been rated by ICRA as having a LA- rating for the issuance of the NCDs for an aggregate amount of Rs. 4,300,000,000. Our Company cannot guarantee that these ratings will not be downgraded. Such a downgrade in the above credit ratings may lower the value of the NCDs and may also affect our ability to raise further debt.

STATUTORY AND OTHER REGULATORY DISCLOSURES

Stock Exchange Disclaimer Clause

It is to be distinctly understood that filing of this Information Memorandum/ Disclosure Document with the Stock Exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the Stock Exchange. The Stock Exchange does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Information Memorandum/ Disclosure Document.

Listing

The NCDs are proposed to be listed on the WDM segment of the BSE. The BSE has given its 'in principle' approval to list the NCDs. In case our Company is unable to list these NCDs, the entire pay-in amount shall be refunded to the Debentureholders from the date of realization of the cheque till date of payment. Our Company shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis and shall complete all formalities relating to listing of the NCDs.

Disclaimer of the Sole Book Runner and Lead Arranger

It is hereby declared that our Company has exercised due-diligence to ensure complete compliance of prescribed disclosure norms in this Information Memorandum/Disclosure Document. The role of the Sole Arranger in the assignment is confined to marketing and placement of the NCDs on the basis of this Information Memorandum/Disclosure Document as prepared by us. The Sole Arranger has neither scrutinized nor vetted or conducted any due-diligence for verification of the contents of this Information Memorandum. The Sole Arranger shall use this Information Memorandum for the purpose of soliciting subscription(s) from qualified institutional investor(s) in the NCDs to be issued by us on private placement basis. It is to be distinctly understood that the use of this Information Memorandum by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum has been prepared, cleared, approved or vetted by the Sole Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum.

Disclaimer in respect of Jurisdiction

This Issue is made in India to investors as specified under clause "Who Can Apply" of this Information Memorandum/ Disclosure Document, who shall be specifically approached by our Company. This Information Memorandum/ Disclosure Document does not constitute an offer to sell or an invitation to subscribe to NCDs offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the non-exclusive jurisdiction of the courts of Mumbai. This offer of NCDs is made in India to persons resident in India. This Information Memorandum/ Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the NCDs herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

Disclaimer Clause of ICRA Limited

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. The ICRA ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit ICRA's website (www.icra.in, www.icraratings.com) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been

taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents

Company Disclaimer Clause

The Company certifies that the disclosures made in this Information Memorandum/ Disclosure Document are generally adequate and in conformity with the SEBI Regulations and other applicable enactments/rules/regulations.

Further, the Company accepts no responsibility for statements made otherwise than in the Information Memorandum/ Disclosure Document or any other material issued by or at the instance of the Company and anyone placing reliance on any source of information other than this Information Memorandum/ Disclosure Document would be doing so at his own risk.

Cautionary Note

This Information Memorandum/ Disclosure Document is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Information Memorandum/ Disclosure Document should invest in the NCDs proposed to be issued by the Company. Each potential investor should make its own independent assessment of the investment merit of the NCDs and the Company. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstance. This Information Memorandum/ Disclosure Document is made available to potential investors on the strict understanding that it is confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the NCDs.

No person, including any employee of the Company, has been authorised to give any information or to make any representation not contained in this Information Memorandum/ Disclosure Document. Any information or representation not contained herein must not be relied upon as having being authorised by or on behalf of the Company. Neither the delivery of this Information Memorandum/ Disclosure Document at any time nor any statement made in connection with the offering of the NCDs shall under the circumstances imply that any information/ representation contained herein is correct at any time subsequent to the date of this Information Memorandum/ Disclosure Document. The distribution of this Information Memorandum/ Disclosure Document or the Application Forms and the offer, sale, pledge or disposal of the NCDs may be restricted by law in certain jurisdictions. This Information Memorandum/ Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the NCDs in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Information Memorandum/ Disclosure Document comes are required by the Company to inform themselves about and observe any such restrictions. The sale or transfer of these NCDs outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

Issue of NCDs in Dematerialised Form

The NCDs will be issued only in dematerialised form. Our Company has made arrangements with the Depositories for the issue of the NCDs in dematerialised form. Investors will have to hold the NCDs in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DPID and beneficiary account number must be mentioned at the appropriate place in the Application Form. Our Company shall take necessary steps to credit the NCDs allotted to the depository account of the investor.

Our Company will make the Allotment to investors on the Date of Allotment after verification of the

Application Form, the accompanying documents and on realisation of the application money. The Allotted NCDs at the first instance will be credited in dematerialised form on LOA ISIN within one working day from the Deemed Date of Allotment. We will instruct the Depositories to convert the said LOA ISIN to secured Debenture ISIN immediately after the receipt of confirmation of registration of charge from the RoC.

Disclaimer Clause

This Issue is being made strictly on a private placement basis and is not intended to be circulated to more than 49 persons. Nothing in this Information Memorandum/Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the NCDs. This Information Memorandum/Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act.

This Information Memorandum/Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipients are eligible to apply for the NCDs. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

This Information Memorandum/Disclosure Document has been prepared in conformity with the SEBI Regulations. Therefore, as per the applicable provisions, copy of this Information Memorandum/Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 60 of the Companies Act shall not be applicable and accordingly, a copy of this Information Memorandum/Disclosure Document has not been filed with the RoC or the SEBI.

Consents

IL&FS Trust Company Limited has given its written consent for its appointment as Debenture Trustee to the Issue under Regulation 4(4) of the SEBI Regulations and inclusion of its name in the form and context in which it appears in this Information Memorandum/ Disclosure Document.

OFFERING INFORMATION

Terms of the Issue

Our Company proposes to issue secured, redeemable, non-convertible debentures of the face value of Rs. 1,000,000 aggregating to Rs. 4,300,000,000. The coupon rate of the NCDs will be 14.35% p.a payable on a half yearly basis on 9th December and 9th June every year.

The Company shall produce to the satisfaction of the Debentureholders, a certificate stating that the title of the property offered as security is marketable. The Company shall furnish a confirmation certificate in favour of the Debenture Trustee that the security created by it in favour of the Debentureholders is properly maintained and is in accordance with the terms described in this Information Memorandum/ Disclosure Document. Until the Redemption Dates, the Company shall not transfer the property charged as security to the Debentureholders, without the prior consent of the Debenture Trustee and the Debentureholders. The Company shall not execute any agreement for sale of any property offered as security to the Debentureholders, without the prior consent of the Debenture Trustee and the Debentureholders. The Debenture Trustee shall supervise the implementation of the conditions regarding creation of security for the debt securities and the Debenture redemption reserve, in compliance with provisions of the Companies Act and other applicable laws.

Borrowing Powers of the Board

Pursuant to a resolution dated February 18, 2006 passed by our shareholders in accordance with provisions of the Companies Act, the Board has been authorised to borrow, for the purpose of our Company, upon such terms and conditions as the Board may think fit up to Rs. 15,000,000,000 and to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital or any part thereof and to issue NCDs, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Description of Property

For details on the nature of the security created for the present Issue, refer to the section titled Financing Requirements-“Description of Security for the Issue”, beginning on page 9 of this Information Memorandum.

Nature of Instrument

14.35% secured, redeemable, non-convertible debentures to be issued on a private placement basis and in dematerialised form.

List of Beneficial Owners

Our Company shall request the Depositories to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Effect of Holidays

Should any of the date(s), including the Deemed Date of Allotment, Redemption Dates, or the Record Date, as defined in this Information Memorandum/ Disclosure Document, fall on a Sunday or a public holiday or no high-value clearing is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next working day shall be considered as the effective date. In cases where it is not possible to determine disruption in high-value clearing as stated above, one day prior to the Redemption Dates, the next working day shall be considered as the effective date.

Tax Deduction at Source

As per the amended provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed demat security. Since the NCDs shall be issued in dematerialised mode and shall be listed on the BSE, no tax will be deductible at sources on the payment/credit of interest on these NCDs. In the event of rematerialization of the NCDs or a change in applicable law governing the taxation of the NCDs, the following provisions shall apply:

- a) **Rematerialization of NCDs:** In the event the NCDs are rematerialized and our Company is required to make any tax deductions under the applicable law, then the sum payable by our Company (in respect of which such tax deduction is required to be made) shall be increased to the extent necessary to ensure that the holders of the NCD receive a sum, which is net of any deduction or withholding equal to the sum which it would have received had no such tax deduction been made or required to be made and any such incremental amount is referred to as the gross-up Amount.
- b) **Change in applicable law:** Where any Debenture Holder being a person resident outside India (“Transferor”) transfers any Debentures to any person (“Transferee”) and as a result of such transfer, our Company is required to make a tax deduction by applicable law on any payment to the Transferee (“Transferee Tax Deduction”) which is greater than the tax deduction that the Company would have been required to make by applicable law on any such payment to the Transferor (“Transferor Tax Deduction”), then when calculating the gross-up Amount, the Company shall deem that the tax deduction been made or required to be made for such payment to the transferee is the lower of the Transferee Tax Deduction or the Transferor Tax Deduction.

In the event our Company is required to make a tax deduction, we shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by applicable law.

Our Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Face Value

The Face Value of the NCDs shall be Rs. 1,000,000 per Debenture.

Issue Price

The Issue Price of the NCDs shall be Rs. 1,000,000 per Debenture.

Issue Size

The current issue size of NCDs is of Rs. 4,300,000,000.

Discount

The NCDs are being issued at face value and no discount is being offered.

Market Lot

The minimum lot size for trading of the NCDs on the Stock Exchange is proposed to be 1 (one) Debenture and in multiples of 1 (one) thereafter.

Debt Equity Ratio

The debt equity ratio of our Company, based on the Unaudited Financials as on March 31, 2009 was 0.62 and after the Issue shall be 0.62.

Minimum Number of NCDs

The applications must be made for a minimum of one Debenture and in multiples of one Debenture thereafter.

Application for the NCDs

How to Apply

Applications for the NCDs must be made in the Application Form and must be completed in block letters in English by investors. Application Forms must be accompanied by either a demand draft or cheque or electronic transfer drawn or made payable in favour of “Sterling Infotech Limited” and should be crossed “Account Payee only”. It may be noted that payment by any other means shall not be accepted. The full amount of the Face Value applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

Our Company assumes no responsibility for any applications/cheques/demand drafts lost in mail or in transit.

Who can apply

Nothing in this Information Memorandum/Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through this Information Memorandum/Disclosure Document and this Information Memorandum/Disclosure Document and its contents should not be construed to be a prospectus under the Companies Act.

This Information Memorandum/Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by our Company and only such recipients are eligible to apply for the NCDs. The categories of investors eligible to invest in the NCDs, when addressed directly, are:

- (a) Banks;
- (b) Public Financial Institutions (as defined under Section 4A of the Companies Act);
- (c) Non Banking Financial Companies;
- (d) Companies; and
- (e) Foreign Institutional Investors including any sub-account thereof registered with SEBI under the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association / constitutional documents / bye-laws; (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signatures of authorized signatories;

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to peruse the Debenture Trust Deed and further ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

Transfers

The NCDs may be transferred to any party duly qualified under the applicable laws, to apply for such NCDs.

Minimum Subscription

As the current issue of NCDs is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore our Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

Basis of Allotment

Our Company reserves the sole and absolute right to allot the NCDs to any applicant.

Right to Accept or Reject Applications

Our Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of our Company.

Interest on Application Money

Interest on application money will be paid to investors at Coupon from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. Such interest shall be payable within 7 (seven) business days from the Deemed Date of Allotment.

Deemed Date of Allotment

All benefits relating to the NCDs will be available to the investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. Our Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. The Deemed Date of Allotment may be changed (advanced/ postponed) by our Company at its sole and absolute discretion.

Redemption Amount

The outstanding principal amount on the NCDs and any accrued but unpaid interest thereon shall be repaid in 3 (three) equal installments on 9th December 2011, 9th March 2012 and 9th June 2012.

Redemption Premium

The Debentures shall be redeemed at face value on expiry of tenor of the Debentures. The entire principal amount of the Debentures will be repaid at par, on or before the Maturity Date.

Payment on Redemption

Payment of the redemption amount of the NCDs will be made by our Company to the beneficiaries as per the beneficiary list provided by the Depositories as on the Record Date. The NCDs shall be taken as discharged on payment of the redemption amount by our Company to the beneficiaries as per the beneficiary list. Such payment will be a legal discharge of the liability of our Company towards the Debentureholders. On such payment being made, our Company will inform the Depositories and accordingly the account of the Debentureholders with Depositories will be adjusted. Our Company's liability to the Debentureholder in respect of all their rights including for payment or otherwise shall cease and stand extinguished after the Redemption Dates, in all events save and except for the Debentureholder's right of redemption as stated above. Upon dispatching the payment instrument

towards payment of the redemption amount as specified above in respect of the NCDs, the liability of our Company shall stand extinguished.

Call and Put Option

No call option or put option is intended to be created on the NCDs.

Currency of Payment

All obligations under the NCDs including yield, are payable in Indian rupees only.

Issue of NCDs in Dematerialised Form

The NCDs will be issued in dematerialised form within 1 (one) Business Day from the Deemed Date of Allotment. The Company has made arrangements with the depositories for the issue of the NCDs in dematerialised form. Investors will have to hold the NCDs in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DPID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Company shall take necessary steps to credit the NCDs allotted to the depository account of the investor.

Issue of Debenture Certificates

After completion of all legal formalities, our Company will issue the NCDs certificate(s) within the time specified under the applicable laws. Our Company shall credit the depository account of the allottee within one working day from the Deemed Date of Allotment.

Splitting and Consolidation

Splitting and consolidation of the NCDs is not applicable in the demat mode form since the saleable lot is one Debenture.

Common Form of Transfer

Our Company will issue the NCDs in Demat Form only. However, our Company would use a common transfer form for physical holdings.

Succession

In the event of demise of a Registered Debentureholder, or the first holder in the case of joint holders, our Company will recognize the executor or administrator of the demised Debentureholder or the holder of succession certificate or other legal representative of the demised Debentureholder as the Registered Debentureholder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to our Company. Our Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the NCDs standing in the name of the demised Debentureholder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law.

Issue of Duplicate Debenture Certificates

If any Debenture certificate(s) is/are mutilated or defaced, then, upon production of such certificates at the Corporate Office, the same will be cancelled and a new Debenture certificate issued in lieu thereof. If any Debenture certificate is lost, stolen or destroyed then, upon production of proof thereof to the satisfaction of our Company and upon furnishing such indemnity as our Company may deem

adequate and upon payment of any expenses incurred by our Company in connection thereof, new certificate(s) shall be issued. A fee will be charged by our Company on each fresh Debenture certificate issued hereunder as per the provisions contained in the Articles of Association.

Notices

The Company agrees to send notice of all meetings of the Debentureholders specifically stating that the provisions for appointment of proxy as mentioned in Section 176 of the Companies Act shall be applicable for such meeting. The notices, communications and writings to the Debentureholder(s) required to be given by the Company shall be deemed to have been given if sent by registered post to the Registered Debentureholder(s) at the address of the Debentureholder(s) registered with the Corporate Office.

All notices, communications and writings to be given by the Debentureholder(s) shall be sent by registered post or by hand delivery to the Company at its Corporate Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Rights of Debentureholders

Subject to the Inter- Creditor Agreement and the Debenture Trust Deed, the Debentureholder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The NCDs shall not confer upon the holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Future Borrowings

As per the provisions of the Debenture Trust Deed, our Company together with Siva Ventures Limited, may (apart from the refinancing of existing indebtedness and the indebtedness to be incurred under the Group Financing, during the tenor of the NCDs), incur such additional indebtedness (including by way of borrowings, guarantees, issuances of bonds, stocks, notes or other loan instruments, discounting of receivables, derivative transactions and counter-indemnity obligations) up to a sum of US\$ 275,000,000 (or its equivalent in any other currency or currencies). The Debenture Trust Deed further sets out the sub-limits which our Company and Sterling Infotech Limited need to adhere to when incurring additional indebtedness.

Payment of outstanding amounts on the Debentures

In terms of the Debt Listing Agreement, our Company shall ensure that services of ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) are used for payment of all outstanding amounts on the Debentures, including the principal and interest accrued thereon, as per the applicable norms of the RBI.

Governing Laws and Jurisdiction

The NCDs are governed by and will be construed in accordance with the Indian law. The Company, the NCDs and Company's obligations under the NCDs shall, at all times, be subject to the directions of the RBI and the SEBI. The Debentureholders, by purchasing the NCDs, agree that the Bombay High Court shall have non-exclusive jurisdiction with respect to matters relating to the NCDs.

Dispatch of Refund Orders

The Company shall ensure dispatch of refund orders of value over Rs. 1,500 and Debenture certificates by registered post.

Tax Benefits

In the case of our Company, the amount of interest in respect of capital borrowed for the purpose of business is allowed as a deduction under section 36(1)(iii) of the IT Act. The amount of interest received/ receivable is treated as taxable income in the hands of the Debentureholders.

Submission of completed Application Form

All applications duly completed accompanied by account payee cheques/ drafts/ application money/ transfer instructions from the respective investor's account to the account of the issuer, shall be submitted at the Registered/Corporate Offices.

Issue Programme

Issue Opening Date	June 10, 2009
Issue Closing Date	June 10, 2009
Deemed Date of Allotment	June 10, 2009

The Company reserves the right to change the Issue time table, including the Deemed Date of Allotment, at its sole discretion, without giving any reasons therefore or prior notice. NCDs will be open for subscription at the commencement of banking hours and close at the close of banking hours on the dates specified in this Information Memorandum/Disclosure Document.

Mode of Payment

All cheques/ drafts/ transfers/ RTGS must be made payable to “**Sterling Infotech Limited**”.

Procedure and Time of Schedule for Allotment and Issue of Certificates

NCDs would be allotted by such persons as are authorised by the Board from time to time. The Company will execute and dispatch/ credit to the DP account of the allottee, in favour of the allottees within one working day from the Deemed Date of Allotment.

Refund Cheques

Refund cheques should be intimated to the Company alongwith request for duplicate issue. The issue of duplicates in this regard shall be governed by applicable law and any other conditions as may be prescribed by the Company.

Servicing behavior of the existing debt securities

There are no existing debt securities issued by the Company, as on the date of this Information Memorandum.

Permission / Consent from the prior creditors

No Permission / consent from prior creditor for a pari passu charge being created in favour of the Debenture Trustee to the proposed issue needs to be obtained.

Debenture Trustee

Our Company has appointed IL&FS Trust Company Limited as the Debenture Trustee for the Issue. All the rights and remedies of the Debentureholders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debentureholders. All investors are deemed to have irrevocably given their authority and consent to IL&FS Trust Company Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debentureholders shall discharge the Company *pro tanto* to the Debentureholders. The Debenture Trustee shall carry

out its duties and shall perform its functions under the SEBI Regulations and this Information Memorandum/ Disclosure Documents, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Company and the Debenture Trustee and a notice in writing to the Debentureholders shall be provided for the same.

The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee will protect the interest of the Debenture Holders on the occurrence of an event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost as provided in the Debenture Trust Deed.

DECLARATION

We declare that all the relevant provisions Regulations/Guidelines issued by SEBI and other applicable law have been complied with and no statement made in this Information Memorandum / Disclosure Document is contrary to the provisions of the Regulations/Guidelines issued by SEBI and other applicable law, as the case may be. The information contained in this Information Memorandum / Disclosure Document is as applicable to privately placed debt securities and subject to information available with the Company. The extent of disclosures made in the Information Memorandum / Disclosure Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

**Signed for and on behalf of
STERLING INFOTECH LIMITED.**

sd-
Mr. Shyam Jagetiya
Authorised Signatory

Date: June 9, 2009

Place: Mumbai

Rating Rationale of Rating Agency

Annexure – A

Annual Report of the Company for the Year Ended March 31, 2008

Annexure – B

Unaudited/provisional Financial Results of the Company for the Year
Ended March 31, 2009

Annexure- C